became a debate rather than a Calling Attention. So, according to rules, the first Member will speak for seven minutes and other will speak for just five minutes. When I was a Member of this House and Members used to speak beyond their allotted time, Shri V.V. Giri used to ring the Bell so that we could wind up. But, now we have stopped that. When a Member speaks beyond the allotted time, other Members cannot speak. So, I would request that the mover, that is, the first speaker will speak for seven minutes and other will speak for just 5 minutes. Now, I will call Members one by one on the basis of party, and not on the basis of the names in the list. Shri Ram Das Aggarwal.

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

Adverse effects of Liberalisation

श्री रामदास अग्रवाल (राजस्थान) : सभापति महोदय, मैं मंत्री जी का ध्यान व्यापार के उदारीकरण और भारतीय उद्योग, विशेषतः लघु उद्योग क्षेत्र के उद्योगों द्वारा निर्मित वस्तुओं के मुक्त आयात के प्रतिकूल प्रभाव के संबंध में आकर्षित करना चाहता हूं।

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN) : Under the General Agreement on Tariffs and Trade (GATT), 1947 all Members were obliged to remove all the Quantitative Restrictions (QRs) maintained on imports. India, being a Founder Member, was also obliged to remove the QRs but it took recourse to the exception provided in GATT for maintaining such QRs owing to balance of payments (BoP) difficulties.

However, from 1995 onwards, with substantial improvement in India's BoP position, certain Members questioned India's continued justification for maintaining QRs on BoP grounds. India could negotiate with all other trading partners, with the exception of USA, for phasing out these QRs. USA filed a dispute against India in WTO and the Dispute Settlement Panel ruled against India. India filed an appeal before the Appellate Body of WTO against the findings of the Panel but the Appellate Body also upheld the findings of Panel. Both these Reports were adopted by the Dispute Settlement Body (DSB). Consequently, a bilateral Agreement was signed between India and USA for determining the reasonable period of

time for implementing the rulings and recommendations of DSB. As per the Agreement, QRs on 714 items have been removed with effect from 01.04.2000 and QRs on remaining 715 items are to be removed by 01.04.2001.

This is not the first time that QRs have been removed. At the time of initial announcement of tariff-line wise import policy on 01.04.1996, out of 10202 tariff lines 6161 tariff lines were already free. Thereafter during 1996-97, 1997-98 and 1998-99, QRs were removed on 488, 391 and 894 tariff lines respectively. It is, therefore, evident that over the years QRs have been removed progressively in line with our international commitments and policy of economic liberalisation. This has primarily been possible on account of improvements in our balance of payments position since 1991. QRs in respect of all tariff lines except a few items which were canalised were withdrawn, for imports from SAARC countries with effect from 01.08.1998.

A perusal of import data reveals that there has not been any surge of imports as a consequence of removal of QRs. In fact, the rate of growth of imports which stood at 36.40% in 1995-96, has come down progressively over the years to 13.2% in 1996-97, 11% in 1997-98 and 14.2% in 1998-99.

For the protection of domestic industry, including SSI units, the Government can, if the situation so warrants, utilise the mechanism of raising the applied tariffs within the bound rates, if such a gap exists and take measures such as Anti-Dumping action, imposition of Countervailing Duties and Safeguard Actions which are permissible under the WTO Agreements. The imports are closely monitored and Government are determined to ensure through the appropriate use of the above mechanisms that imports do not cause any serious injury to the domestic producers.

Most importantly, the Government have also taken a decision to introduce a Bill for amending the provisions of Foreign Trade (Development and Regulation) Act, 1992 so that Safeguard Action in the form of QRs could be re-applied if situation so warrants.

श्री रामदास अग्रवाल : सभापति महोदय, मुझे आपने आज्ञा प्रदान की, उसके लिए मैं आपका आभारी हूं। मैंने माननीय मंत्री जी का ध्यान समस्त उद्योगों से संबंधित विषय

पर आकर्षित किया कि परिवर्तित परिस्थितियों में जो वातावरण बनता जा रहा है, उसमें यह अत्यंत महत्वपूर्ण हो गया है कि इसमें फैली भ्रांतियों, इसमें फैली मिसअंडरस्टैंडिंग्स - और कुछ प्रचार के माध्यम से यह चर्चा की जाती है कि हमारे उद्योगों पर इस सारे उदारीकरण का प्रतिकूल प्रभाव पड़ेगा। सभापति महोदय, कुछ बातें ऐसी हैं जिन्हें मैं मंत्री जी के ध्यान में लाना चाहता हूं। विशेष रूप से क्योंकि आपने मेरे लिए समय सीमा बांध दी है - मैं इस बात की कोशिश करूंगा कि उसी में मैं आपकी आज्ञा के अनुसार रहूं लेकिन क्योंकि विषय थोड़ा सा लम्बा है...

श्री सभापति : वह आपके लिए ही नहीं, सभी के लिए है।

श्री रामदास अग्रवाल : सभापति महोदय, मैं कोशिश करूंगा क्योंकि एयर इंडिया तो एक ही थी, इस विषय का संबंध तो पूरे देश के उद्योगों से है।

श्री सभापति : आपने आधा मिनट इसमें क्यों ले लिया? ...**(व्यवधान)**...

श्री रामदास अग्रवाल : वह महत्वपूर्ण विषय था, मैं यह नहीं कह रहा हूं। महोदय, मैं दूसरे सारे विषयों को छोड़ दूंगा क्योंकि मेरे बाकी मित्र लोग उस पर बोलेंगे। मैं केवल स्मॉल स्केल के संबंध में अपनी बात बोलूंगा, बाकी के संबंध में मेरे दूसरे साथी बोल सकते हैं। सभापति महोदय, मैं यह कहना चाहता हूं कि जो लघु उद्योग है, खादी ग्रामोद्योग है या टाइनी उद्योग है, उसका देश के आर्थिक जगत में कितना प्रभाव है, यह मैं केवल कुछ आंकड़ों के माध्यम से आपके द्वारा मंत्री जी को बताना चाहता हूं। 1998-99 में हमारे देश में लघु उद्योग 31 लाख 21 हज़ार थे। 1998-99 में इनमें 5 लाख 27 हज़ार 575 करोड़ रुपए का प्रोडक्शन हुआ था। 171 लाख लोगों को इस उद्योग जगत ने इम्प्लॉयमेंट दिया था। एक्सपोर्ट में जहां तक हिस्सेदारी का सवाल है, हम सबके लिए यह जानकारी का विषय होगा कि 35 परसेंट हिस्सा इस लघु उद्योग के द्वारा शामिल है जो इसमें कंट्रीब्यूट करता है और लगभग 50 हज़ार करोड़ रुपए का फॉरेन एक्सचेंज यह उद्योग अर्न करता है हमारे देश के लिए।

सभापति महोदय, इसमें जो समस्या आ रही है वह यह है कि पिछले वर्षों में, मैं इस बात को मानता हूं खास तौर से पिछले एक वर्ष में सरकार के द्वारा दिए गए कुछ इंसेंटिव, सरकार के द्वारा उठाए गए कुछ कदमों के माध्यम से निश्चित रूप से औद्योगिक क्षेत्र की प्रगति हुई है। जो पहले 3.3 परसेंट थी, वह आज 6.6 परसेंट के आसपास आ चुकी है और यह बहुत संतोष का विषय हो सकता है कि हमारी औद्योगिक वृद्धि जो रुक गई थी, वह आगे बढ़ रही है लेकिन यह 6 परसेंट की वृद्धि भी संतोषजनक नहीं हो सकती। इसलिए मैं

निवेदन करना चाहता हूं कि स्माल स्केल इंडस्ट्रीज़ में जो सिकनेस आई है, पहले 1991-92 में 2 लाख 21 हज़ार उद्योग बंद हुए थे लेकिन 1999 में ये बढ़कर 3 लाख 6 हज़ार हो गए। इसलिए मैं ध्यान आकर्षित करना चाहता हूं कि इसके पीछे बहुत सारे कारण होंगे, केवल नीतियां नहीं होतीं, कुछ और कमियां भी हो सकती हैं। लेकिन मैं यह निवेदन करना चाहता हूं कि इस समय स्माल स्केल इंडस्ट्रीज़ के लिए जो लोग काम कर रहे हैं, उनके मन में अनेक शंकाएं, अनेक भ्रांतियां पैदा हुई हैं, इसलिए पहले जो एस.एस.आई. सेक्टर के लिए 812 आइटम रिज़र्व थे, अब डब्ल्यू.टी.ओ. की परिस्थिति के कारण, डब्ल्यू.टी.ओ. एग्रीमेंट के कारण, अंतर्राष्ट्रीय प्रतिबद्धताओं की वजह से अब केन्द्रीय सरकार को फ्री इम्पोर्ट करना पड़ा। उसके बाद अब लघु उद्योग के लिए केवल 169 आइटम रह गए हैं। इसलिए मैं यह कहना चाहता हूं मंत्री जी से कि अब उचित यह होगा किसी भी प्रकार के ऐसे मेकेनिज्म के माध्यम से पुनः इस बात पर विचार करें कि जो रिज़र्व आइटम थे, उनकी संख्या जो इतनी कम कर दी गई है, क्या यह संभावना है कि हम इसको और अधिक बढ़ा सकते हैं?

महोदय, मैं एक निवेदन और करना चाहता हूं कि लघु उद्योग को दुनिया के व्यापार क्षेत्र से प्रतिस्पर्धा करने के लिए हमने छोड़ दिया है और वह हमारी प्रतिबद्धताएं हैं लेकिन इस सरकार की, हमारी वर्तमान केन्द्रीय सरकार की प्रतिबद्धता यह भी है कि वह लघु उद्योग को, स्वदेशी उद्योगों को निश्चित रूप से प्रोत्साहन देगी, उनको आगे बढ़ाएगी। अब इन दोनों पटरियों पर हमें चलना पड़ेगा। एक तरफ अंतर्राष्ट्रीय प्रतिबद्धताएं हैं और दूसरी तरफ देशहित में हमारी अपनी प्रतिबद्धताएं हैं। उन दोनों प्रतिबद्धताओं के आधार पर हमको अपनी औद्योगिक नीति निर्धारित करनी पड़ेगी। अगर आप उद्योगों को एक तरफ छोड़ देते हैं प्रतिस्पर्धा करने के लिए तो अच्छी बात है, छोड़ना पड़ेगा लेकिन मैं यह कहना चाहता हूं कि हमारा लघु उद्योग क्षेत्र, टाइनी उद्योग क्षेत्र गांवों में है, पिछड़े क्षेत्रों में है। उनके पास अंग्रेज़ी ज्ञान का अभाव है, उनके पास तकनीक का अभाव है, उनके पास कैपिटल का अभाव है, उनको मार्केटिंग की भी प्रॉब्लम्स होती हैं। इन सारी चीज़ों को मिलाकर अगर हम देखें तो हमें लगता है कि हमें अपनी ही व्यवस्था में निश्चित रूप से बहुत बड़ा परिवर्तन करने की आवश्यकता महसूस होगी ताकि ये उद्योग अपनी अहम भूमिका बराबर निभा सकें। मैं मंत्री जी से यह निवेदन करना चाहता हूं कि...

श्री सभापति : पांच मिनट हो गए, Please wind up in half a minute.

श्री रामदास अग्रवाल : मैं वाइंड-अप कर रहा हूं... मैं लघु उद्योग पर ही बोल रहा हूं। मैं उनसे निवेदन करना चाहता हूं कि जहां हमने उद्योगों को प्रतिस्पर्धा के लिए छोड़ा है वहां हमारी सरकार को अब इस प्रकार की व्यवस्था, इस प्रकार का मेकेनिज्म बनाने के

लिए आगे आना पड़ेगा, उन कायदे-कानूनों में परिवर्तन करना पड़ेगा, बैंक रेट में परिवर्तन करना पड़ेगा, लोन देने की व्यवस्था में परिवर्तन करना पड़ेगा, बैंकों के द्वारा जो इस प्रकार के डिले होते हैं, देरी होती है लोन सैंक्शन करने में, उन सारी व्यवस्थाओं में परिवर्तन करने की आवश्यकता आज इसलिए महसूस की जा रही है कि क्योंकि अब उन्हें दुनिया के अन्य बड़े उद्योगों से प्रतिस्पर्धा करनी है इसलिए मैं मंत्री महोदय से निवेदन करूंगा कि वे कृपा करके इस प्रकार की डायरेक्शन दें कि लघु उद्योग को नुकसान न हो। वैसे नाम इसका लघु उद्योग है लेकिन इसका कंट्रीब्यूशन बहुत बड़ा है। इसको सामूहिक रूप से बचाने के लिए, इसकी सुरक्षा का कवच बनाने के लिए, इसकी व्यवस्था को मजबूत बनाने के लिए, जहां-जहां व्यवस्थाओं में परिवर्तन की आवश्यकता है, हमने इन परिवर्तनों में विलम्ब किया है। यदि इन परिवर्तनों को हमने समय रहते अनुभव नहीं किया तो इस उद्योग को नुकसान होने की संभावना है इसीलिए मैंने इस ओर सदन और मंत्री जी का ध्यान आकर्षित किया है कि इस बड़े क्षेत्र को बचाने के लिए हम सब मिलकर प्रयास करें ताकि ऐसी नीति बने जिससे इसकी उत्तरोत्तर प्रगति हो सके।

SHRI ADHIK SHIRODKAR (Maharashtra): Sir, there is no doubt that the small-scale sector is reeling under the adverse effect of the W.T.O. agreements that were signed. In those agreements, 2100 items were fixed and 1400 items have been declared. While so fixing the items, perhaps care was not taken to find out whether there was a qualitative and quantitative competence of the local small-scale sector to compete effectively with these types of inputs. However, this is a matter of debate. This is a matter of post-mortem. Post-mortem does not serve any purpose. The only thing which I would like to lay emphasis on is on what can be done now, because these are legally binding agreements. Fortunately the statement on the last paragraph on page 2 makes a reference to what can be done. Unfortunately, the sentence is unhappily worded. "For the protection of domestic industry, including accessories, the Government can ease the situation so warrants." It is high-time that the Government comes to a conclusion that a situation does so warrant and what it can do it must do immediately. For example, it should utilise the mechanism of raising the applied tariffs within the bound rates. In order to do this, there has to be a floor pricing mechanism. That has not been done regarding the items of these industries. Once that is done, then the question of applied tariffs will come in.

My second point is regarding the anti-dumping action. It is well known that in order to initiate anti-dumping action, the industry so concerned has to provide the data. The onus is on the industry. No small-scale industry without the infrastructure can ever effectively initiate anti-dumping action. The Government should carry out a feasibility study and come to its own findings, particularly with regard to various items where there is an anti-dumping so that the initiation of legal proceedings can be resorted to.

My last point is on counter-veiling duties and safeguards. Counter-veiling duties will come in only if there is a floor tariff mechanism of the domestic items. Unless that is done, the tariff abroad cannot be increased. Counter-veiling duties cannot be there. In order to do so, the Government will have to undertake certain studies and come to the present floor pricing.

Lastly since the agreements are of a binding nature, one thing that can be done -what was not done earlier - is that there should be bilateral talks with the countries. We should try to make them aware of the adverse impact on the small-scale sector and make them realise about the problem that is being created on the small-scale sector. Then we should find a device to improve upon, modify and amend the agreements that were entered into. Unless this is done on a war-footing, the small-scale sector may die an untimely death.

श्री रमा शंकर कौशिक (उत्तर प्रदेश) : श्रीमन्, सरकार की उदार नीति के कारण हमारे देश की आर्थिक स्थिति बराबर नाजुक होती चली जा रही है और पूरा आर्थिक ढांचा चरमरा गया है। हमारे देश की परिस्थितियों के मुताबिक केवल लघु उद्योग ही ऐसे साधन हो सकते हैं जो हमारे देश की समस्याओं का निदान कर सकते हैं विशेष रूप से बेरोजगारी की समस्या है। हमारे लोगों को रोजगार चाहिए जो बहुत ऊंची टेक्नोलॉजी के जरिए प्राप्त नहीं हो सकता और 1980 के दशक में भारत सरकार ने जो नीति बनाई कि लघु उद्योगों के लिए 850 ऐसी वस्तुएं रखेंगे जिसमें कोई दूसरा हस्तक्षेप नहीं कर सकेगा, वे केवल लघु उद्योग ही बनाएंगे लेकिन बहुराष्ट्रीय कंपनियों के आने से ऐसी स्थिति होती जा रही है कि जो हमारे लघु उद्योग के क्षेत्र की सुरक्षित चीजें थीं उनका उत्पादन भी बहुराष्ट्रीय कंपनियां कर रही हैं और बहुराष्ट्रीय कंपनियां कर भी किस आधार पर रही हैं? जीरो टेक्नोलॉजी के आधार पर कर रही हैं। जीरो टेक्नोलॉजी के आधार पर या नई टेक्नोलॉजी के नाम पर वे कहते हैं कि हम नई टेक्नोलॉजी ला रहे हैं। लेकिन उस नई टेक्नोलॉजी का जो नमूना देखने को मिलता है वह इस

प्रकार का है कि जूता बनाने का काम कर रहे हैं, तो बाटा के जरिये, टूथपेस्ट बनाने का काम कर रहे हैं, साबुन बनाने का काम कर रहे हैं। यह जीरो टेक्नोलॉजी, या इनमें किसी नई टेक्नोलॉजी की जरूरत नहीं है। हमारा हिंदुस्तान इतना सक्षम है कि इन चीजों को वह बखूबी बना सकता है, बना रहा था लेकिन बहुराष्ट्रीय कंपनियां इन चीजों को बनाकर हमारे देश की अर्थव्यवस्था को चौपट कर रही हैं। हमारा देश, भारत की सरकार चार सौ करोड़ रुपये रॉयल्टी के रूप में दे रही है और जिस टेक्नोलॉजी के नाम पर दे रही है वह टेक्नोलॉजी है नमक बनाने की विधि, केले की चटनी बनाने की विधि, बच्चों के कपड़े सीने की विधि ये टेक्नोलॉजियां आ रही हैं। ये किस प्रकार से हमारी आर्थिक दशा को सुधारेंगी? हमारे देश में 1988 में 14,70,000 लघु उद्योग काम कर रहे थे। उनमें से आज तीन लाख लघु इकाइयां बंद हो चुकी हैं और दस लाख, जिनमें काम हो रहा है वह भी बहुत धीमी गति से हो रहा है। इससे करोड़ों लोग रोजगार पाते थे। आज हमारे देश में 1,80,00,000 लोग प्रत्येक वर्ष रोजगार चाहते हैं। इन 1,80,00,000 लोगों में से अधिकतर वे लोग हैं जो लघु इकाइयों में काम करते थे और जो बेरोजगार हो गए, उन्हें रोजगार चाहिए। हमारे यहां पंजीकरण सोलह करोड़ लोगों का है। हमारे जिलों में रोजगार के जो दफ्तर हैं उनमें सोलह करोड़ लोग ऐसे हैं जो रोजगार चाहते हैं लेकिन यह सरकार लघु इकाइयों को चौपट करके हमारे देश की आर्थिक दशा खराब कर रही है। अभी 1773 चीजों को उन्होंने मुक्त किया है, यह आयात करने के लिए मुक्त किया है। ये सारी चीजें ऐसी हैं जो हमारे देश की मूल आवश्यकताओं की नहीं हैं। वे हमारे देश में उपभोगवाद को बढ़ाने वाली हैं और आज इस उपभोगवाद के चलते हमारे देश में ऐसा हो गया है कि जो हमारा 25-30 करोड़ का मिडिल क्लास है वह केवल यह चाहता है कि किसी न किसी तरीके से हम पैसा कमाएं, चाहे रिश्वत के जरिये, चाहे व्यापार में बेईमानी करके पैसा कमाएं और उसका उपभोग करें नये-नये टी.वी. खरीदकर, कारें खरीदकर या उपभोग के सामान खरीदकर। ऐसी स्थिति हो रही है। इस स्थिति में हमारे देश का आर्थिक विकास चौपट हो रहा है और हमारी संस्कृति और चरित्र को भी लांछित कर रहा है। मैं इस बात को मानता हूं कि मिडिल क्लास में क्रांतिकारी भी पैदा होते हैं। हमेशा मिडिल क्लास खराब नहीं होता और सब लोग खराब नहीं होते लेकिन आज हमारे देश के 25-30 करोड़ ऐसे हैं जो मिडिल क्लास की श्रेणी में आते हैं, उनकी और भी विभिन्न श्रेणियां हो सकती हैं, जैसे एक, दो, तीन आदि। लेकिन मिडिल क्लास में जो आता है वह केवल पैसा कमाने में लगा रहता है चाहे रिश्वतखोरी के जरिये या व्यापार में बेईमानी करके, चाहे किसी भी तरीके से। सभापति महोदय, अगर हमारा यह लघु उद्योग चौपट हो गया तो निश्चित रूप से हम बर्बाद हो जाएंगे। बाहर से आयात-निर्यात या खुला व्यापार हमारे देश में बहुत पहले से होता रहा है, विश्व व्यापार भी होता रहा है। व्यापार हमेशा दो बराबर की हैसियत वालों के

बीच हो तो दोनों को फायदा पहुंचाता है लेकिन यदि उसमें एक छोटा और एक बहुत बड़ा हो तो निश्चित रूप से खुले व्यापार का फायदा बड़े को मिलेगा, छोटे को नुकसान होगा। यह स्थिति हमेशा से रही है। इंग्लैंड की समस्याएं हमेशा से रही हैं जब एडम स्मिथ ने या किन्स ने ऐसी थ्योरी बनाई कि विश्व व्यापार के जरिये लोगों को काम मिलेगा, उस काम के रूप में भी हम देखते हैं कि इंग्लैण्ड की स्थिति ऐसी थी ...(**व्यवधान**)...।

MR.CHAIRMAN: Please wind up. You have already had six minutes.

श्री रमा शंकर कौशिक : श्रीमन्, एक मिनट में खत्म करता हूं।

MR. CHAIRMAN: Please wind up. You have already taken six minutes.

श्री रमा शंकर कौशिक : वह परिस्थितियां श्रीमन्, ऐसी थी लेकिन अगर हम अपने निर्यात को बढ़ा रहे हैं तो भी हमारा कहना श्रीमन् यह है कि हम उनका मुकाबला नहीं कर सकते। हमारे आयात और निर्यात में भी अंतर है। हम आयात ज्यादा कर रहे हैं और सरकार की नीतियों के कारण वह बढ़ता जा रहा है और हमारा निर्यात कम है। लेकिन अगर निर्यात बढ़ भी जाए तब भी श्रीमन्, हम घाटे में रहेंगे क्योंकि हम जिस चीज का निर्यात करेंगे उसको हम दस घंटे में बनाते हैं और अमेरिका जिस चीज का आयात हमारे देश में करेगा उसको वह एक घंटे में बनाता है। ऐसी स्थितियों में हम सदैव घाटे में रहेंगे। सरकार की जो नीतियां हैं वह लघु उद्योगों को चौपट कर रही है। हमारी कई लघु इकाइयां बंद हो गई हैं। इसके कारण करोड़ों लोग बेरोजगार हो गए हैं। लाखों लोग हर साल बेरोजगार हो रहे हैं और होते रहेंगे। इस देश में रोजगारी की समस्या है जैसे आज ही श्रम मंत्री जी बता रहे थे कि अगर रोजगार सब को मिल जाए तो गरीबी खत्म हो जाए। गरीबी की जो समस्या है वह 35-40 करोड़ लोग जो गरीबी की रेखा के नीचे रहने वाले हैं उनकी समस्या है। यदि यह समस्या रोजगारी से दूर हो सकती है तो हमें रोजगार लघु उद्योगों से ही मिल सकता है जिसे यह सरकार चौपट कर रही है।

MR. CHAIRMAN: Shri Eduardo Faleiro. You have to wind up within five minutes.

SHRI EDUARDO FALEIRO (Goa): Thank you, Mr. Chairman. I will wind up within two minutes.

Mr. Chairman, I think I personally am not opposed, as such, to the policies of liberalisation and globalisation. I personally believe that this

debate is now outdated. What I have seen over the last few years is the absolutely wrong manner, the absolutely anti-people manner, in which the process of liberalisation, globalisation or implementation of the new economic policies is being conducted in this country. These policies, new or otherwise, all economic policies, are to benefit the people, are for the benefit of the people. What I have seen again and again is that the multinationals, the foreign companies, are being imposed here, are being brought here, without any sort of discrimination and this affects violently and grossly the people of this country and their interests. I have come here and I stand here to point out--and not to make general assertions--a specific case, a case which is just now happening at Umbergaon in Gujarat, where a multinational, a US-run oil and gas company, which is known as UNOCAL, in collaboration with another company, which is basically owned by Indian business interests, NATELCO, is developing a mega port. Now, they are developing a mega port and in the process they are displacing thousands of fishermen completely and destroying their livelihood. Now, the point which I am making is that this is being done in spite of the protest of the people. In spite of the protest of the people, this project is going ahead and no attention is being given to the genuine grievances of the people. Yesterday, we had a case here where we were all crying how our military people, some Colonel or so, had been assaulted. Here, in this particular case, there was the murder of Colonel Save. Colonel Save had fought in two wars against Pakistan for the country. Now, he has been murdered. Actually, he died at the hands of the police, as a result of brutal beatings by the Gujarat police in custody, at Umbergaon on April 7 this year. It is just a few days ago. His only crime was that he, along with other locals, was protesting against the construction of this mega industrial port by a company which, as I have said, is an entirely US-owned company. He was protesting peacefully. The people have asked for an inquiry into this by the National Human Rights Commission. The people are protesting very violently and strongly against this. My plea is this. Whilst you are implementing these new economic policies, please appreciate that the new economic policies are for alleviation of poverty, for removal of our main problem, that is, social inequalities, and, importantly, for removal of economic stagnation. You just don't impose these policies on the people. Please consult them. Please look after their interests which are paramount. This is what is not happening in this case. As I have said, we are so concerned about our Armed Forces. A

Colonel, who had fought in two wars, was murdered by the police just because he was voicing the interests of the people. This is a gross case, this is a tragedy, which should bring to our sense how the new economic policies are going wrong in their implementation.

SHRI JIBON ROY (West Bengal): Mr. Minister, people have started calling your Government the God of destruction of industrial infrastructure. It seems that you are satisfied with the figures and the development which is taking place, I am sorry to say that all the figures prove that a big destruction is going on. Sir, according to an NSS survey, the level of employment in the rural areas is going down, the level of consumption is going down, the level of expenditure is going down, the price of agricultural commodities is going down abruptly. All these things have disrupted the life of the common people. Because of these policies, around 3,60,000 factories have been closed down. Therefore, we wish to know, what is the assessment of the Government after the new liberalisation policy has been accepted? What is the assessment of the Government so far as the ground level situation is concerned?. Will the Government come out with a White Paper on what is happening? About three lakh factories have been closed, not to mention that no new industry has been set up. Indicators show that production in the capital goods industries is going down; production of non-durable goods is going down, offtake of rice is going down, food stocks are piling up. According to an economic survey, the rate of savings is much higher than the capital formation, especially, the fixed assets. The savings are not being diverted to capital formation. Indicators show that the level of employment has gone down to 2%. Small-scale industries are being denied their right i.e.bank loan. The bank loan which is given to the tiny sector is only 20% of the total bank loan given to the SSIs. Besides, a large part of the money given to the small-scale industries has been siphoned off by big people, entering the SSI units. The textile mills are being closed down and they are entering powerloom industry. Previously, in Tamil Nadu, the powerloom industry was playing a very good role. Most of the powerloom factories in Bombay have also been closed down. All the tool mills are being closed down. I would like to know, if basic industry is not advanced, if *per capita* consumption electricity goes down, will manufacturing take place through water,without power. Therefore, we are converting the economy into a screw-driver economy.. Destroying the basic sector, you are making our nation into a

colony. We want that the Government should come out with a White Paper. So far as the small-scale industries are concerned, out of 1400 items, 576 items are already under OGL. You have removed Quantitative Restrictions on 714 items. Though your Government made an agreement with Japan and the European countries to remove the restrictions by 2003, under the pressure of America, you have signed an agreement with the Government of USA and you have removed the quantitative restrictions. You are destroying our small-scale industry; you are destroying our tiny sector; you are destroying our industry; that is why people call your Government the God of destruction of all the Indian industries. We want that the Government should come out with a White Paper on this. We must know what is the ground reality. Floodgates have been opened for the importers. In your taxation policy too, you have brought down the customs duty from 115% to 30% on an average. And even during the East India Company period, Mir Qasim withdrew all the excise duty in Bengal. And you have raised the internal tax from 8% to 15%. It is worse than the East India period. The railway freight has been increasing at the rate of 15% all these years. This year it has been increased by 5% more. Can an Indian industry grow under these circumstances? Therefore, Sir, I request you to give an answer as to why the rate of capital formation is much lower than the savings, why the production of basic goods is going down; why the consumption is going down.

Consumption expenditure is going down. Rural employment is going down. Why aren't the tiny sector and the textile sector getting loans? Why all the money is being siphoned off by the big industrial houses who are entering the small-scale sector in the name of small-scale industry? Thank you.

SHRI R. MARGABANDU (Tamil Nadu): Mr. Chairman, Sir, the adverse effect of the WTO is known to the whole nation. I would like to know whether the Government is aware of all the difficulties which the indigenous industrial sector is facing. I would request the Minister to reply to these points. Due to severe and stiff competition from MNCs and their hi - tech products the products of small scale industries and indigenous industries would suffer at the hands of MNCs. Secondly, employment opportunities would become negligibly low. Due to the deterioration of indigenous industries the economy of our country has lost the motto of 'self-reliance'. Then social development has become stagnant. It would

affect the State-market relationship. There would be no scope of market for indigenous industries. Exploitation of natural resources by MNCs is equivalent to colonial rule and imperialism. The Indian economy would become dependent. The rate of growth of GDP would be based on the decision of MNCs. A large-scale population would become unemployed and would starve for survival. I would like to know whether this Government is going to take some remedial measures to safeguard the Indian industry. They can do it by encouraging export-oriented units, export processing zones and technology parks. Investment ceilings should be removed.

They should provide greater infrastructural support. Then availability of credits should be made easier and there should be lower rates of duty. There should be 90 per cent assistance to technology upgradation. There should be a provision for building entrepreneurial generation. There should be a provision of free market to sell goods produced by the small-scale industry. There should be special incentives for small-scale industries for higher growth performance. Then restrictions on the use of technology should be relaxed and community based development programmes should be implemented. I would request the Government to implement these things to safeguard the indigenous industry. Otherwise, there is a fear that the whole indigenous industry would be bartered away to MNCs. Once again India would revert back to the position of a slave. I would like to know whether this Government is going to take steps to save the dignity and the status of India as a free and self-reliant nation. Thank you.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Mr. Chairman, Sir, this issue has been debated umpteen times in this august House. Sir, we belong to the Telugu Desam Party which has been championing the cause of reforms. We fully support the reforms. I would like to quote an example. The Government cannot create a competition in a running race between a person who can participate in Olympics and a person who is eligible to participate in village sports. That is the case. A major chunk of the contribution towards GDP is coming from the small-scale sector. A majority of the items have been put under OGL. India is being made a dumping yard for the goods which are being manufactured in the Western countries and in advanced industrial countries. In the interest of vast employment, most of the items have been reserved in the small-scale sector.

Now regarding those which have been de-reserved, efforts are being made to import those goods. The Government might have the feeling that they can get more money from customs duty. But there is a drawback also in that you will be losing income from excise duty. So, there is an incentive on one side and on the other side, it is a disincentive. I had stated in the House on an earlier occasion, "India has got an economy with strong fundamentals. It has got its own resilience, and in spite of the fact that tigers' economies were in doldrums recently, India could withstand the onslaught because of its strong fundamentals." My appeal to the Government is that there is no hurry. The reforms should not be detrimental to the interests of the country, nor should they be detrimental to the vast employment potential that has been created in the rural areas. Sir, if the situation is allowed to continue, then, 90 per cent of the small scale industries would cease to exist; millions of people would go out of employment. But that does not mean that we should not adopt reforms. Reforms are needed. Liberalisation is needed, but in a phased manner. The Government has to create a level-playing field so that we can equally compete with the technologically competent countries which are trying to dump their products into our country. Sir, I once again appeal to the Government not to adopt the reforms in a hurry, but to implement them with more vigour, otherwise, you will be doing a great harm to the country. You should be very cautious keeping in view the conditions which are prevailing at the grassroot level in the country. You should introduce reforms in a phased manner so that the Indian industry does not suffer. The Government has been trying to reduce the NPAs to 18 from 19 per cent -- it is four to five per cent in Western countries. If this situation is allowed to continue, if you continue to import products against the interests of the country, unless you create a level-playing field, the products which are being manufactured in small scale industries can never become competitive. It is very difficult to sell our products because their producitivity is more, their cost of production is less and the quality of their products is very high. In this situation, it is difficult for our products to compete with those products. In such an eventuality, it will be difficult for these small scale units to repay the loans that they have taken. Also, if the NPAs are not reduced, then it will, totally, demolish the banking industry which has played an important role in the economic uplift of the country. So, I request the Government to be cautious, take the interests of the small

scale industries of the country into account, introduce the reforms in a phased manner, in a rational manner, so that our industries are not destroyed, and create a level-playing field. Till such time you will have to give protection to the Indian industry.

SHRI J. CHITHARANJAN (Kerala): Mr. Chairman, Sir, I thank you for permitting me to participate on this Calling Attention Motion. This is a very serious issue. Even before the Government has resorted to implement the liberalisation programme, it has already brought disastrous results in our industry and also in the agricultural sector. Sir, the Commerce Minister has already pointed out that quantitative restrictions had been removed in respect of thousands of items even during the past years. It is true. It is being done as a part of the implementation of the liberalisation programmes. Now, what has happened is, it is the last straw. It has broken the back of the camel. It has seriously affected the economy. Of course, we have to take note of the fact that the Government of India had been bargaining to see to it that the ban on the quantitative restrictions are lifted, say, after five years or so. And certain very important countries which are the constituents of the European Union, countries like Canada, Japan, Australia, have already agreed that these quantitative restrictions would be lifted only in 2003. But it was America, which is considered to be our best friend, which pressurised India to agree to withdraw the quantitative restrictions with effect from 2000-2001. They have done a very great injustice. In whatever form it was done, as a result of all these things, -- I don't say that this is the only reason -- as a result of the total implementation of the liberalisation programme, lakhs of our indigenous industries have been closed down, and some are on the verge of closure. This is so especially in the small scale sector. The small scale sector is a very important sector. It is this sector which has added to the total production, which has generated more employment and which has been providing almost 40 per cent of exports. And, we find that such industries have either been closed down or they are on the verge of closure. It is true that imports have not immediately shot up. It has not happened that way. But, in due course of time, imports also will increase. Let us not have any doubts about it. My complaint is that the Government of India is not having a comprehensive view of the situation, and they are not intending to review the whole situation and review the policies. Unless a comprehensive review is made, and certain amendments are made in the policies, we cannot

protect our industries - whether medium, large or small industries - and we cannot also protect our agricultural sector. Our economy will perish and a very, very serious situation will arise. We know that a fall in the prices of various commercial crops have led to loss of business worth crores of rupees. The other developments will add to it. Now, even the foodgrain cultivators have been getting levy prices and all that. So, I am quite sure that unless the Government takes certain measures, it will lead to the collapse of the PDS. And, in that case, after one or two years, the Government will have to stop purchasing wheat and rice also on levy basis, in which case, even that sector will perish. Therefore, my suggestion is that the Government should take a comprehensive view and find a solution for this crisis. Then, of course, I do agree that the hon. Commerce Minister is very confident that certain steps can be taken on the basis of 300 such GATT Agreements and also on the basis of introducing certain regulations. But I have my own doubt as to how far he can do it, how far the Government can do it. We have got a very recent experience. In the beginning of April, the Department of Income Tax had taken certain steps. Certain companies were supposed to have their offices in Mauritius. They were enjoying certain benefits to which, legally, they were not entitled. But the Income-tax Department took some measures. Immediately, these foreign monopolists created a crisis in our share market and the share market collapsed. Immediately, our Finance Minister surrendered, if I may say so, and gave an assurance that nothing will be done. Therefore, I am very much doubtful as to how far Mr. Maran can proceed with this provision and take protective measures.

I would once again remind the Government of India, through you, Sir, that it is not a matter to be considered by the Commerce Ministry alone or the Industry Ministry alone, for that matter. The Government of India, as a whole, should review the whole policy, on the basis of the results we are seeing with our own eyes, and then try to find a solution.

Thank you.

SHRI M.P.A. SAMAD SAMADANI (Kerala): Sir, it is an alarming situation now. It is high time to think of the fate of this country which is open to a very clear economic conquest from outside. Now, that is going on at the international level. Multinational companies are coming to India. Not only that; there is acquisition of Indian companies by foreign multinationals.

So, it is a dreadful situation. If our companies are acquired by multinationals and if economic slavery becomes a reality, then what will be the fate of the country's poor farmers and those who live below the poverty line? That will be a very difficult situation to predict. Sir, almost all the States of India are affected by this serious situation and I believe, Kerala will be the worst affected State; as already emphasised here by hon. Members, in the case of many of our agricultural products like coconut and other crops, the prices are going down. There is a heavy fall in the prices. Even the other day, we had a very heated discussion in this august House with regard to the support price for copra. These things are inter-related. The Government is importing coconut oil from countries like Sri Lanka. Then, what will be the fate of the poor farmer who cultivates things like coconut?

Sir, in addition to rubber, even tyre is being imported. If rubber and tyre are imported, we can very well imagine what is going to happen to the poor peasants. Two aspects of these things are very important. On the one side, there is a fall in the prices. Whatever we produce, we do not get the right price for the produce. On the other side, whatever we want to purchase, there is a hike in the prices of those things. It is high time the Government reviewed the situation, instead of sticking to the decision taken, for the sake of the country and for the sake of the poor people. I would request the Minister and the Government to come forward with a correction of this wrong policy.

Sir, it is said that even processed things like pickle is being imported. It is used by almost every Indian everyday with his meal. Even that is going to be imported from foreign countries. In our country, there are small-scale industries and they produce very tasty pickle, with things available in India. Our economic slavery has reached such a stage that even Indian pickle is not tasty for us. We are very eager to taste pickle made by Americans or so-called Westerners. Sir, it is against the very spirit of our freedom struggle. Our freedom struggle was not only against political slavery, it was against economic slavery too. Now what is going on is that the economic slavery is becoming a reality in so many forms and shapes. Sir, during the freedom struggle, there was only one company called the East India Company. As is emphasised by my hon. Friend, Mr. Jibon Roy, now there are so many companies. One by one they are coming to this

1.00 P.M.

country and we are selling our produce. We are even selling our art of production, the technology behind its production. I do not want to enter into the serious aspect of this, the patent rights. There is an inter-connection. We are selling everything. We are selling our arts of producing things. Sir, before I conclude, I would like to emphasise that if this kind of a situation is allowed to continue and if it is not controlled, then the poor people will have to suffer. There was a warning by the hon. President of India in his speech that he delivered on the eve of the Republic Day. I do not want to quote it because everybody knows it and this august House also knows it. Instead of that the Government should open its eyes. I do not want to quote but I would like to remind the Government about the spirit of a couplet written by Dr. Iqbal, a poet of India, during the Freedom Struggle. He said, "Try to make your own wine and goblet in India." Sir, it is high time that we had our own wine and goblet from India. Thank you, Sir.

SHRI MURASOLI MARAN: Mr. Chairman, Sir, I am beholden to you and the hon. Members for having brought this Calling Attention Motion because it gives me and the Government an opportunity to explain to the nation the compulsions and circumstances which led the Government to remove quantitive restrictions recently. I also thank the hon. Members because they have produced a lot of light and not heat. Sir, this is far too a serious matter to be settled within party fora. All these matters are of national interest. So, once again I am indebted to you and the hon. Members for having thrown light on this matter. Sir, I have to trace the history of this decision. It was not taken overnight. Stalwarts like Pranab Mukherjee are here. We have some historical obligations. During the year 1947 we signed the GATT, General Agreement on Tariffs and Trade, in the interest of creating a fair, orderly and rule-based multilateral system based on the principles of comparative advantage. At that time the idea was to create an international trade atmosphere so that it is beneficial to all the countries of the world. Sir, it was based on the principles of comparative advantage to increase the incomes of the people, to increase the job opportunities and to increase the world trade. So, that was the basis. When we signed the Agreement in 1947, there was Article II which committed us to remove the quantitative restrictions on the basis of the balance of payments. Sir, the grand rationale behind that objective is to

improve the world trade and for creating a fair trade and for removing all the barriers including non-tariff barriers. One of the barriers identified was the quantitative restrictions. So, what it talked of was and what the idea was first to remove the quantitative restrictions and convert them into tariffs. The second idea was to fix ceiling or binding for the tariffs. The third idea was to negotiate and reduce the binding level. Sir, these are the three objectives on the basis of which the GATT was created and on the basis of which, in 1994, the WTO was created. We were a member, a founding member and continued to be so. It continued under the WTO also. We are bound by that international obligation of removing the quantitative restrictions if we have a comfortable balance of payments position.

SHRI JIBON ROY: Mr. Minister, will you yield for a minute? It is not a question of liberalisation. Sir, liberalisation is already there. We are talking about the consequence of liberalisation. The one point that had been raised was, you had the option to go up to 2003. But you have hurried and signed it in 2000 itself. The second question is, whether the Government has made any assessment as to what really is the effect of liberalisation in the industrial arena, on the employment solution and on the people. You bring out a White Paper on this and share your findings with the Members of this House. These are the two questions arising out of this debate.

SHRI RAMDAS AGARWAL: Sir, the hon. Minister has stated that there is a condition of balance of payments. If the balance of payments is in our favour, they have to remove the Quantitative Restrictions. I would like to draw the attention of the Minister to Clause B of Article 27 of the WTO Agreement. It says, "Each of the following developing countries, which are Members of the WTO, shall be subject to the provisions which are applicable to other developing country Members according to paragraph 2B of Article 27 when GNP per capita has reached US $ 1,000 per annum." The names of the countries are like this. Sir, India is also one of them. I am not reading out the names of all the countries. It means, it is not only the balance of payments condition, but it is also a condition that the *per capita* income should be of US $ 1,000 GNP. I would request the hon. Minister to kindly clarify whether the GNP is also one of the conditions. If so, whether we have reached that position.

SHRI MURASOLI MARAN: Sir, first, I will reply to Mr. Jibon Roy's questions.

SHRI PRANAB MUKHERJEE (West Bengal): Mr. Minister, will you please yield for a second? I would also like to request you to clarify as to why we lost in the Disputes Settlement Body on the BOP ground. Our balance of payments position has improved not because of trade surplus or invisible earnings, but, substantially, the 30 plus billion dollars of reserves that you have, are coming through the borrowed groups or the investment groups. In the preceding three years, our export earnings, percentage-wise, in U.S. dollar terms, have gone down. Therefore, when we met, we had to face this situation. With regard to the BOP criterion, whether we have adequately articulated that the improvement, which is happening now, is not because of any improvement in the trade situation, expansion of international trade, but because of more earnings through export earnings and invisible earnings. This is one point.

The second point is, when you lost, the USA has also lost to us on two grounds. What - I am using the word 'retaliatory measures' because it is not a free lunch - are the areas in which we are primarily concerned and in which they are lagging behind i.e., dismantling of the multi-fibre arrangement, the quota system which they were also obliged to do and what measures we have taken to pinpoint to them that they have failed in two major areas by not providing an uninterrupted flow of service providers in computer software which they were obliged to do, and in the area of dismantling the quota system which would have given us an advantage. What measures have we taken in these two areas? You have admitted that only with the USA, you have failed, but with others you had negotiated? You got time with the European Union and with certain others. But, as a result of the Most Favoured Nation treatment clause, once you have lost to one country, it will have to be extended to all the 124 countries. But I am not going into this aspect. I want to know whether we have adequately represented the composition, character, of our improved reserves position to establish that it is not really improvement of the BOP, in a sense, which other industrialised countries have done, but it is because of some external investment in the institutions, in our shares and in our markets. If you can clarify these two points during the course of your reply, we shall be obliged.

SHRI MURASOLI MARAN: Sir, Shri Jibon Roy raised a question and Pranabda was kind enough to answer his question. He has given a reply to Mr. Jibon Roy's question. Sir, it was true that Australia, New Zealand, Canada, Switzerland, European Union, all agreed for six years. But

according to the MFN treatment, once you lose to one country, then you have to adopt the MFN. So, naturally you have to treat all the countries on equal grounds. Pranabda also raised the point, "Why did you lose it." Sir, hon. Kapil Sibal is here. So, we have to blame the lawyers.

SHRI KAPIL SIBAL (Bihar) : Had you contacted me earlier, the results would have been different.

SHRI MURASOLI MARAN: I am sorry. We will do so hereafter. Sir, we lost the case not only in the panel, but also in the appellant body. So, there was no other go.

Then, the next point was regarding the implementation of the decision. ...*(Interruptions)*

SHRI JIBON ROY: You could not convince the USA.

SHRI MURASOLI MARAN: Then, it is caused to decide about a reasonable period of time, RPT, as it is called. Sir, the WTO affairs are full of jargons. They made it difficult by using jargons. So, a reasonable time was mutually agreed upon and we came to a settlement. Not only that, nobody is for quantitative restrictions. Even our policy was to remove the quantitative restrictions. The credit goes to Pranabda and his party. In 1991, when Dr. Manmohan Singh initiated the economic reforms, one of the key items was to remove the quantitative restrictions in a phased manner. There are several reports. You look at the Budget Speeches of Dr. Manmohan Singh and Shri Chidambaram. Everybody was talking about removing the quantitative restrictions and restoring the tariff level to the ASEAN level in 2001 or 2002 or 2003, cutting across party lines. That is the position. Not only that, Sir; I will make it very clear, at that time, when you were going to appeal before the appellate body.... Sir, I have to confess one thing. The Finance Ministry was not in its favour. They said, "We have a comfortable balance of payment position. Why should we go for it"? That was the stand taken by the Finance Ministry. But I will also confess that at that time there was an unstable Government. So, nobody could take a decision. I was a Minister then. What we said was, "Okay, we will appeal." Kapil Sibalji knows; we take time. We wanted to take time; somebody else will come and answer the question. There is nothing wrong in confessing that. Sir, I will read from a note of the Finance Ministry, "In the view of Ministry of Finance, we do not regard quantitative

restrictions as necessary for BOP management. Indeed, it is well-established that such restrictions are not appropriate instruments for efficient BOP management. Our foreign exchange reserves and BOP position, in any case, do not warrant the continuation of such restrictions." In fact, it goes on to say, to argue that it weakens our BOP position because the FDI may not come. Why should we go and beg and plead that our BOP position is bad? Our country is a transparent country. Our economic review is read all over the world. Our Budget is read all over the world. We take pride in having created a very good BOP situation. Sir, nobody worries about the removal of quantitative restrictions because we had started the removal of quantitative restrictions in the 1980s itself. This is not for the first time. The total number of tariff lines as on 01.04.1996 was 10,202. On 01.04.1996, we had removed quantitative restrictions on 6,161. Nobody bothered at that time. Again, from 01.04.96 to 31.03.97, we had removed quantitative restrictions on 488 items. There was no cry from anybody. Then, on 01.01.98, we had removed quantitative restrictions on 132 items. Then, on 13.04.98, we had removed quantitative restrictions on 391 items.

It is an on-going programme. Even autonomously, without being told by the U.S.A., we have been doing it. In fact, I would say, it is a favour done by ...*(Interruptions)*...

SHRI PRANAB MUKHERJEE : It is nobody's case that we are not agreeing to remove the quantitative restrictions. From 1947, it is an on-going process. But, actually, the removal of quantitative restrictions did not arise because we are covered by BoP. That is why when I signed that agreement, the time was fixed for 2003. But you could not stick to that time schedule because we lost on the BoP ground. If we had not have lost on the BoP ground, neither the U.S.A. nor any other country could raise this question that you will have to remove it before 2003. Therefore, it is nobody's case that quantitative restrictions were not on. It is on from 1947. Equally, it is proved that the removal of quantitative restrictions did not take place because we were covered by BoP. The moment we failed to establish our BoP situation does warrant the maintenance of quantitative restrictions, you had to do that. This point is well taken. But the question is that, we have not fought vigorously. The point is that there is a difference between the improved BoP and the quantum of foreign exchange reserves that you had. I am not a lawyer, but to my mind, the quantum of foreign exchange

reserves do not accrue from the earnings of the country, but, substantially, from the borrowings of the country. That can be a case to justify our position. Had we stressed on our export figures, trade gap, invisible earnings, etc., perhaps, we could have convinced the Dispute Settlement Panel and the Appellate Body of WTO. But I do not know how the legal battle was fought. This is one point which, Mr. Minister, you must have to take note of because the Government of India is functioning as a whole. I understand the problem of the Commerce Minister, if the Finance Ministry does not back it. Perhaps, too much talk of the improved balance of payments position will lead to further difficulty and will reduce our manoeuvrability also. We should be realistic about our BoP. We have to see whether our improved balance of payments position is substantial from the inflow point of view - from outside; not through the trade route, not through the invisible route - which is the real earning of the Government. For future guidance, perhaps, a concrete integrated policy requires to be taken.

SHRI MURASOLI MARAN : I thank Pranabda for his advice, but we have lost the case. That is the point. I do not think another opportunity will come.

SHRI PRANAB MUKHERJEE : In this case, you won't have another opportunity, but in future, you may try to have it.

SHRI MURASOLI MARAN : I will seek the advice and guidance of Pranabda. I had his guidance in the past also. I will do that once again because he had the experience of both as Commerce Minister and as Finance Minister, besides his expertise in economic matters. Now, I will come to the main question. The question arises : you have removed the QRs, what will happen to the SSI, to the local industries, domestic industries. Sir, we have got several weapons in our armoury. The moment we come to know that certain industries, whether they are small-scale or large-scale industries, are affected, we can counter the situation by using those weapons. Sir, article VI of the GATT permits us to levy anti-dumping duty. The same article permits us to levy countervailing duty. Then according to Article XIX of the GATT, we can resort to safeguards actions. If a surge in the imports causes or threatens to cause a serious injury to the domestic industry, we can resort to that article. Now, coming to the next point. Article XXII is there to protect human, animal or plant life or health

or to protect public moral. We can initiate action under that article. Article XXI permits us to take measures on the basis of security of the nation. The very important point is that the GATT, 1994 permits us to re-impose quantitative restrictions.

The WTO members are free to suspend any obligation incurred by them, if imports of products into their territory cause or threaten to cause a serious injury to the domestic producers. Therefore, in an emergency situation, we can reimpose the same quantitative restrictions. For that, the Cabinet has approved a Bill, and that Bill will be introduced, I think, in this session itself. Sir, here are the measures in our hands to protect our domestic industry. Therefore, nobody need think that we will let down the small-scale sector.

The small-scale industries are the jewels in our crown. They contribute 35 per cent of the total exports. The big houses are not interested in it. The credit goes to the small-scale sector. Our jewellery, diamonds and handicraft industries produce 35 per cent of the exports. Not only that, these industries employ 172 lakh persons. So, neither this Government nor any other Government can ignore the small-scale sector.

I do not want to take the time of the House. In the Budget itself, my distinguished colleague, the Finance Minister, has given a lot of concessions to the small-scale sector. So, I assure the House that if there is any injury done to the small-scale sector, the Government will not keep quiet. This is my assurance. It is not only that.

The Telugu Desam Member has suggested that we should go cautiously, that we should go step by step. I agree with him. We do not believe in big bang reforms. We do not believe in big ticket reforms. We have to go slowly, or, I will use the word, "cautiously". We are a big democracy. We have to take people along with us. We have to take the other parties also along with us. Dr. Manmohan Singh has shown us the way, and we are building upon what you have built. I am proud to say that. Therefore, without your consensus, nobody can move forward. So, some kind of a bipartisan attitude should be here. Otherwise, we cannot move forward. This is my feeling. People compare us with Asian tigers. It is impossible for us to become tigers. In fact, we can compare ourselves with Indian elephants. We have to move slowly but steadily and strongly. So, we are moving in that direction.

In the name of liberalisation, I do not want to destroy all the domestic industries. We do not want to sit on the ash shield of domestic industries and wear the crown of globalisation or liberalisation. We will never do that. For us, the model is this. Our model is that reform means health for the poor. Reform means more jobs. Reform means more educational institutions. Reform means less fiscal deficit. Reform means more social sector expenditure. Reform means more primary health centres. That is how we should create our own model. I assure the House that we will never do that.

My friend from Kerala said that pickles have been thrown open. I am very sorry. Who else can make pickles equivalent to Indian pickles? That is why we have opened it up. So, we need not bother about pickles.

SHRI JIBON ROY: Lots of foreign goods are emerging in our country. ...*(Interruptions)*...

SHRI MURASOLI MARAN: But not pickles. We are the masters in pickles. That is one of the problems. We are satisfied with pickles. Therefore, I give an assurance to the House.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Sir, the way he is appreciating the small-scale sector, it is like decorating a goat before it is sent to the slaughter house.

SHRI MURASOLI MARAN: It is not necessary. It is not a goat. We will not do that. It is our bounden duty to protect our small-scale industries and our domestic industries. Our Ministry is watching the situation everyday. We are watching the import situation. If there is any surge, we will not keep quiet. We will use all the weapons to safeguard the domestic industry.

Thank you, Sir.

MR. CHAIRMAN: Hon. Members, now it is 1.25 p.m. actually. The hon. External Affairs Minister has to make a statement at 2.00 p.m. Should I ask him to make it at 2-30 p.m., or should I adjourn the House till 2.00 p.m.? What do you want?

SHRI PRANAB MUKHERJEE: He can make the statement at 2.30 p.m.

MR. CHAIRMAN: All right. The House is adjourned till 2-30 p.m.

The House then adjourned for lunch at twenty-five minutes past one of the clock.

The House reassembled after lunch at thirty one minutes past two of the clock, **The Vice-Chairman (Shri Suresh Pachouri)** in the Chair.

STATEMENT BY MINISTER

Situation in Sri Lanka

THE MINISTER OF EXTERNAL AFFAIRS (SHRI JASWANT SINGH): Recent developments in Northern Sri Lanka are a matter of serious concern to India. The Government is closely monitoring the evolving situation. The Government of Sri Lanka has also been in touch with the Government of India. Our High Commissioner to Sri Lanka was, therefore, called to New Delhi earlier this week for consultations on the developing situation.

The Government of India will be guided by its continued commitment to a negotiated peaceful resolution of the conflict, within the framework of Sri Lanka's unity and territorial integrity, a united Sri Lanka where all communities can realize their asapirations. It is India's hope that peace will soon return to Sri Lanka, a country which is a close and friendly neighbour.

The Government of India has received some rquests from the Government of Sri Lanka in the context of the present situation. Naturally, all these requests are receiving the urgent considertion of the Government.

The conflict in Northern Sri Lanka continues to cause serious hardship to civilians in the area. As hon. Members are aware, there are nearly 100,000 Sri Lankan refugees in India, including about 30,000 outside the refugee camps. On humanitarian grounds, India continues to look after these refugees. In consonance with this, India will work to mitigate the hardship inflicted upon civilians by the conflict and will render such humanitarian assistance as may become necessary. As and when need arises such assistance will be decided upon only in consultation with Sri Lanka.

SHRI PRANAB MUKHERJEE (West Bengal) Sir, the hon. Minister